THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) and (d) Dr. V. Kurien had expressed his desire to step down from the post of Chairman. The term of Dr. Kurien as Chairman was expiring on 27.11.1998. Dr. Kurien recommended the appointment of Dr. (Miss) Amrita Patel for the post of Chairman, NDDB. The Central Government on the recommendations of the Search Committee, has appointed Dr. (Miss) Amrita Patel the Chairman. She is not from amongst the retired bureaucrats. Infact she has served the National Dairy Development Board for the last more than 10 years as Managing Director.

Credit action plan for farmers

1262. KUMARI NIRMALA DESHPANDE: Will the PRIME MINISTER be pleased to state:

(a) whether Government have recently reviewed the position regarding credit requirements and institutional framework in various States with a view to ensuring adequate and easy credit to the farmers' all over the country without any hastle;

(b) if so, details of credit action plan formulated for the current year and Ninth Plan based on realistic assessment and perspective development/changes planned in agricultural sector;

(c) whether some of the States have taken fresh initiatives in this direction; if so, the details thereof; and

(d) whether Government are considering issuing Agro Credit Card to the farmers alongwith other reforms and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) to (d) With a view to ensuring availability of adequate and easy credit to the farmers all over the country, the Working Group on Agricultural Credit and Cooperation (including Crop Insurance) on IX Plan undertook a comprehensive review of the credit flow to the agricultural and allied sectors. As per the assessment made by the Working Group, the requirement of credit in this sector is estimated to be of the order of Rs. 229,750 crores for the IXth Plan. Flow of institutional credit during the current financial year in this sector is estimated at Rs. 38,645 crores. Further, with a view to strengthening the institutional credit system in the country for providing adequate and timely credit to the farmers and for increasing agricultural production, various measures/initiatives have been taken. Details in regard to the measures/initiatives taken are indicated in the Statement.

Statement

Measures/initiatives taken for strengthening the Institutional Credit system in the agricultural and allied sector

With a view to strengthening the agricultural credit system, verious measures/ initiatives have been taken. These include the following:—

(i) A proposal has been initiated for revamping of Cooperative Crridit Structure to ensure timely and adequate availability of credit to the farmers.

(ii) The State Governments have been advised to constitute standing Committees to assess the requirements of agricultural credit for the Rabi and Kharif seasons and to review the perfomance thereof.

(iii) Steps have been initiated for reformulation of Muliti-State Cooperative Societies Act, with a view to restoring the autonomy of the cooperative institutions.

(iv) Action has been initiated to amend the National Cooperative Development Corporation (NCDC) Act 1962 to diversify the activities of NCDC and to provide it operational freedom and access to resources.

(v) For maintaining increased credit flow at the ground level and ensuring adequate coverage of neglected/backward regions including north-eastern Regions, NABARD has been requested to relax its norms relating to minimum recovery for sanction of credit limits and norms in the discipline of Minimum Involvement.

(vi) As a part of comprehensive restructuring package, equity support has been provided to Regional Rural Banks.

(vii) The share capital of NABARD has been increased by Rs.1000 crores during the last two years.

(viii) State Level Agricultural Development Finance Companies have been set up in the States of Tamil Nadu, Andhra Pradesh and Karnataka with the objective of strengthening the flow of credit for commercial or high technology agriculture, export oriented agriculture and allied activities including infrastructure support systems.

(ix) The Cooperative Bank of India has been registered for being set up in order to enable the Cooperative Credit Structure to impart greater internal mobility to its resources and access to external sources of assistance.

(x) Guidelines in regard to requirement of collateral security by way of mortgage of land/ charge on land or third party guarantee have been liberalised.

(xi) Action has been initiated by the RBI for implementation of some of the recommendations of the High Level Committee (R.V. Gupta Committee) set up by the RBI to suggest measures for improving the credit delivery system in respect of commercial banks as well as simplification of procedures for agricultural credit.

(xii) NABARD has formulated a model scheme for issue of Kisan Credit Cards (KCC) to farmers for adoption by the Banks to enable them to readily purchase agricultural inputs such as seeds, fertilizers, pesticides, etc. and draw cash for their production needs. Features of the Credit Card under the model scheme include availability of revolving cash credit facility, providing for a number of drawals and repayments, meeting the credit requirements of the farmer for the full year. Instructions have also been issued by RBI and NABARD to the scheduled Commercial Banks and RRBs/ State Cooperative Banks for implementation of the scheme.

(xiii) The scope of rural credit system has been widened by formulising links with NGOs and Self Help Groups (SHGs).

(xiv) The Scheduled Commercial Banks including RRBs have been advised to provide 40% of the outstanding advances to priority sector borrowers. Similarly, banks have been advised to lend 18% of the net bank loan to agriculture sector.

(xv) In order to assess the scale of finance for various crops, district technial Committees have been constituted by State Governments.

Excessive Use of Fertilizers

1263. KUMARI NIRMALA DESHPANDE: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that by applying